



**MCI Telecommunications
Corporation**

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September 11, 1997

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

**Re: Changes to the Board of Directors of the National Exchange
Carrier Association, Inc., CC Docket No. 97-21; and Federal-
State Joint Board on Universal Service, CC Docket No. 96-45.**


Dear Mr. Caton:

Enclosed herewith for filing are the original and 4 copies of MCI Telecommunications Corporation's Petition For Reconsideration in the above-captioned docket.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Petition furnished for such purpose and remit same to the bearer.

Sincerely yours,


Lawrence Fenster



SEP 11 1997

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matters of:

Changes to the Board of
Directors of the National Exchange
Carrier Association, Inc.

CC Docket No. 97-21

Federal-State Joint Board on
Universal Service

CC Docket No. 96-45

**PETITION FOR RECONSIDERATION
AND
COMMENTS**

I. Order on Reconsideration and Second Report and Order

In its Order in the above-captioned proceeding, the Commission directed the National Exchange Carrier Association, Inc. (NECA) to assume various processing and ministerial duties of the Universal Service Administrative Company (USAC) until the USAC assumed its role as temporary Administrator.¹ The Commission also authorized NECA to make available to USAC, and later to the permanent Administrator, non-revenue information from TRS Fund contributors. The Commission justified these actions as necessary to ensure the timely distribution and completion of the Universal Service Worksheet by September 1, 1997; and as necessary to ensure the timely development of websites and identification numbers for the Schools and Libraries and

¹Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket No. 97-21; and Federal-State Joint Board on Universal Service, CC Docket No. 96-45, August 15, 1997

Rural Health Care Corporations so eligible beneficiaries may begin drawing support on January 1, 1998.

In its Petition for Reconsideration in CC Docket No. 97-21, MCI argued that the Commission failed to take steps to prevent NECA from using its preferential access to information about the functioning of universal support mechanisms in its bid to become the permanent administrator.² MCI recognizes the need to immediately distribute the Universal Service Worksheet, and establish the Schools and Libraries and Rural Health Care Corporations, but is dismayed at the Commission's lack of concern about additional commingling of NECA and the Schools and Libraries and Rural Health Care Corporations. MCI urges the Commission to adopt its recommendation to take auditable steps showing NECA has not used any intellectual property, staff, or information available from the USAC or from its interim role establishing the USAC or the Schools and Libraries and Rural Health Care Corporations,³ or in the alternative bar NECA or the USAC from submitting a bid to become the permanent administrator.

MCI also urges the Commission to establish accelerated timetables for the establishment of the USAC and the permanent Administrator. The longer NECA, and subsequently its USAC, are commingled with the Schools and Libraries, and the Rural Health Care Corporations, the less likely will the Commission be able to choose an unbiased, and best, permanent Administrator. There should be no reason why NECA should retain any ministerial duties on behalf of the USAC

²MCI Petition For Reconsideration: Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Notice of Inquiry, CC Docket No. 97-21, September 2, 1997, at 6.

³*Id.*, at 7.

once the USAC is established. Therefore, the Commission should terminate NECA's performance of ministerial duties on behalf of the USAC once the USAC is formally established.

MCI also notes that on or before August 1, 1998, the Commission will adopt the forward-looking mechanism and necessary inputs that will transform the current, implicit high cost subsidies into explicit subsidies that will take effect on January 1, 1999. The Commission should choose the permanent Administrator at the same time.⁴

Finally, the Commission instructed entities that currently are unable to distinguish their intrastate, interstate, or international revenues or are unable to provide specific, line-by-line revenue totals for certain categories of revenues, on an interim basis, it took action on the pending petitions for reconsideration, to provide good faith estimates of such revenues in the Universal Service Worksheet that must be completed by September 1, 1997. MCI supports this action.

II. Further Notice of Proposed Rulemaking

In its Further Notice, the Commission proposed to amend section 64.604(c)(4)(iii)(I) of its rules to permit USAC, NECA (to the extent that it is acting on behalf of USAC), and the permanent universal service Administrator to use company-specific, company-level revenue data currently submitted by carriers to the TRS in order to verify revenue information provided on the Universal Service Worksheet. MCI supports use of company-specific, and company-level revenue information for this purpose provided that the Commission also adopts its proposal to amend section 54.711(b) to clarify that neither NECA, the USAC, nor the permanent Administrator, may make use of such data except to verify revenue information submitted on the

⁴This will give the federal advisory committee approximately one year to evaluate bids and choose a permanent administrator.

Universal Service Worksheet.

III. Conclusion

For the above-mentioned reasons, MCI encourages the Commission to adopt the recommendations contained herein.

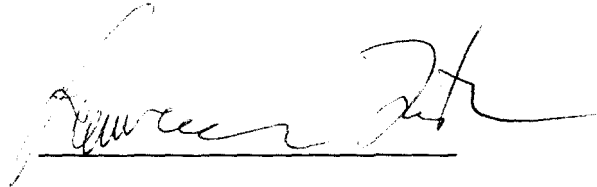
Respectfully submitted,
MCI TELECOMMUNICATIONS CORPORATION

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September 11, 1997

STATEMENT OF VERIFICATION

I have read the foregoing and, to the best of my knowledge, information and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on September 11, 1997.

A handwritten signature in black ink, appearing to read 'Lawrence Fenster', is written over a horizontal line.

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CERTIFICATE OF SERVICE

I, Vivian Lee, do hereby certify that a copy of the foregoing **Petition for Reconsideration and Comments** has been sent by United States first class mail, postage prepaid, hand delivery, to the following parties on this 11th day of September, 1997.

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Vivian Lee

****Hand Delivery**